

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 14, 2018

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:13 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Drive, Room 206, Danville, Virginia. Present was City of Danville Member, Alternate J. Lee Vogler, Vice Chairman Sherman M. Saunders and Fred O. Shanks, III were absent. Pittsylvania County Members present were Chairman Robert W. Warren, Ronald S. Searce and Alternate Elton W. Blackstock.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, Pittsylvania County Administrator David Smitherman, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague Bobe, Kelvin Perry, Project Manager, Pittsylvania County Director of Economic Development Matt Rowe, City of Danville Director of Finance Michael Adkins, Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis and Danville City Council Member Madison Whittle.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE APRIL 9, 2018 MEETING

Upon **Motion** by Mr. Vogler and **second** by Mr. Blackstock, Minutes of the April 9, 2018 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2018-05-14-5A – APPROVING GRANT AGREEMENT #3358, DATED JANUARY 9, 2018 WITH THE TOBACCO COMMISSION

Mr. Sides explained this Resolution was to approve the Grant Agreement form for Project Lignum in the amount of \$2,624,800. The application was submitted at the end of last year, and this project would potentially create eighty new jobs and \$120,000,000 in new investment on Lot 8 in the Berry Hill Industrial Park. The project was approved by the Tobacco Commission on January 9th; their procedure is to send out a letter of agreement for the locality or grantee to sign and then send back to them. Staff has added a stipulation that funds for such project shall not be expended by the Authority until and unless closing occurs under that certain purchase and sale agreement dated June 12, 2017 with the Authority and Enviva Development Holdings LLC. The Authority does not intend to do this project prospectively, only if the Company commits to the project would RIFA spend any of this money.

Mr. Vogler **moved** for adoption of *Resolution No. 2018-05-14-5A, approving that certain Grant Agreement dated January 9, 2018, with the Tobacco Region Revitalization Commission, a body corporate and political subdivision of the Commonwealth of Virginia, for Grant #3358, Berry Hill Industrial Park - Site Improvements for Project Lignum, in the amount of \$2,624,800.00 for site improvements to create a buildable construction pad for a rail spur in the Authority's Berry Hill Industrial Park located in Pittsylvania County, Virginia, with a 36-*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 14, 2018

month expiration period for undisbursed funds; however, funds for such projects shall not be expended by the Authority until and unless closing occurs under that certain Purchase and Sale Agreement dated June 12, 2017, with the Authority and Enviva Development Holdings, LLC, a Delaware limited liability company.

The Motion was **seconded** by Mr. Searce. Mr. Warren noted he believes one reason that was put in was that RIFA has to do no match if they don't use any of the money and Mr. Sides noted that was correct.

The **Motion** was carried by the following vote:

VOTE: 3-0
AYE: Warren, Searce, and Vogler (3)
NAY: None (0)

5B. CONSIDERATION – RESOLUTION 2018-05-14-5B – AUTHORIZING MOUNTAIN VALLEY PIPELINE TO CONDUCT SURVEYS AT BERRY HILL INDUSTRIAL PARK

Shawn Harden from Dewberry noted he has looked at the agreement, and the area MVP wants to look at, and sees no issues with the Company going forward with their investigation. When he talked to MVP he pointed out that RIFA has utilities planned on the side they are looking to go on, it would be RIFA's preference for them to be on the other side of the line. It gets them on the other side of where the major development would happen in the park and gets it out of the way of RIFA's planned infrastructure. MVP said they would take that under advisement.

Mr. Searce **moved** for adoption of *Resolution No. 2018-05-14-5B, authorizing Mountain Valley Pipeline, LLC and its affiliates, agents, employees and contractors to enter upon the Authority's Berry Hill Industrial Park located in Pittsylvania County, Virginia, for the limited purpose of conducting civil, environmental and cultural resource surveys as part of its interstate Mountain Valley Pipeline (MVP) project for natural gas delivery.*

The Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE: 3-0
AYE: Warren, Searce, and Vogler (3)
NAY: None (0)

5C. CONSIDERATION – RESOLUTION 2018-05-14-5C – APPROVING A TRANSFER FROM CONTINGENCY BUDGET TO THE LEGAL BUDGET AND ACCOUNTING BUDGET

Authority Treasurer Michael Adkins explained as the end of the fiscal year approaches, staff needs to transfer money from the Contingency Line Item to cover other operating items. Staff wishes to transfer \$30,000 to Legal for legal expenses and \$600 to Accounting for the audit fees for the year. These funds are coming from unspent operating budget from the prior year.

Mr. Vogler **moved** for adoption of *Resolution No. 2018-05-14-5C, approving (i) the transfer of \$30,000.00 from the Fiscal Year 2018 "Contingency" budget to the "Legal" budget and (ii) the transfer of \$600.00 from the Fiscal Year 2018 "Contingency" budget to the "Accounting" budget in order to cover expenses for the remainder of the fiscal year.*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 14, 2018

The Motion was **seconded** by Mr. Searce and carried by the following vote:

VOTE: 3-0
AYE: Warren, Searce, and Vogler (3)
NAY: None (0)

5D. FINANCIAL STATUS REPORT AS OF APRIL 30, 2018

Authority Treasurer Michael Adkins gave the Financial Status report as of April 30, 2018 beginning with the \$7.3M Bonds for Cane Creek which showed \$4,626 to Clement Wheatley for Legal Fees and \$3,020 for Power Signs for work done on the entrance sign at Cane Creek Center. General Expenditures show \$29,883 to Clement Wheatley for ongoing legal fees, and \$261 for meals. Mega Park Funding Other than Bond Funds show no activity for the month of April. Berry Hill Lot 4 and Lot 8 Site Development showed no activity for the month of April. The Berry Hill Water and Sewer Grant is a County secured grant, it is included here as reference for RIFA's information. In previous months there was a \$26,371 expenditure to Dewberry for Engineering, that amount was initially paid by RIFA and has been reimbursed by the County. Rent, Interest and Other Income shows RIFA received \$20,654 from the Institute for Advanced Learning and Research, \$1,000 from Osborne Company for the renewal of the one year lease, \$424 in interest income, and paid \$20,654 to the Institute for the Hawkins' Building maintenance.

Mr. Searce **moved** to accept the Financial Report as presented; the Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE: 3-0
AYE: Warren, Searce, Vogler (3)
NAY: None (0)

6. CLOSED SESSION

[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]

At 12:22 p.m. Mr. Vogler **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;

B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development and (ii) those certain memoranda, working papers, or other information related

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 14, 2018

to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority's Berry Hill Mega Site project where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in the Authority's Berry Hill Mega Site project subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); and

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

The Motion was **seconded** by Mr. Searce and carried by the following vote:

VOTE: 3-0
AYE: Warren, Searce, Vogler (3)
NAY: None (0)

D. On **Motion** by Mr. Vogler and **second** by Mr. Searce and by unanimous vote at 1:36 p.m., the Authority returned to open meeting.

E. Mr. Searce **moved** adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

The Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE: 3-0
AYE: Warren, Searce, Vogler (3)
NAY: None (0)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 14, 2018

7. COMMUNICATIONS

Mr. Vogler thanked the staff for all the work they continue to put in, he appreciates all they do and looks forward to what comes next.

Mr. Warren agreed with Mr. Vogler and stated once again today it was apparent how closely the two Economic Development departments are working together, and he appreciates that. To the City, he appreciates the relationship they have with City Council and working together with them.

Meeting adjourned at 1:39 p.m.


Chairman


Secretary to the Authority